Managing Cattle One By One

"We need to remove freeloaders ... that's impossible without individual animal management."

Now you know the Top 5 and the Bottom 5. What the Fantasy Beef Quality Challenge demonstrates is the inefficiencies that occur when cattle are managed and marketed on averages. The contest steers came out of the 1999 Texas Ranch To Rail program, an information feedback program that helps cattle producers collect feedyard and carcass information on their cattle.

The 24 contest steers were sorted according to weight upon entry into the feedyard and sorted at the end into two different slaughter days (161 days and 196 days), according to projected carcass merit. These cattle were sorted two more times than the typical feedyard pen of cattle. Even with this sorting, these cattle still show significant variation in feedyard performance and carcass merit (Table 5). These ranges show that the next level of efficiency can only be achieved by managing each animal as an individual unit instead as a part of a 200-head pen. The average is eating us alive.

Cattle feeders have depended on the average of a pen to keep them in business. Feeding and marketing cattle on average has enabled feeders to handle large numbers of cattle in a hurry with minimal recordkeeping requirements. The margins made in cattle feeding exceeded the cost of the few poor performers that hide behind the average in each pen.

That will not work in the future as it has in the past. Today, margins in cattle feeding do not allow for cattle to remain hidden and rob us of profit without our knowledge.

Individual animal management allows for both short- and long-term gains in cattle feeding. In the short-term, individual weights and identification used only in the feedyard will allow cattle feeders to remove poor performing cattle at re-implant time and not have to suffer their sub-standard performance through the complete feeding period.

In analyzing numerous lots of cattle we've worked with, taking individual weights at the beginning of the feeding period and again at re-implant time enabled us to identify poor performers. Culling those poor performers at re-implant time and selling them, made the owner money with one exception, when the feeder cattle market declined significantly between the date the cattle were put in the feedyard and the day they were re-implanted.

The potential profit created by just this one application can pay for individual animal management tools and significantly reward the cattle feeder. This application works for feeders who sell on a live basis as well as those who sell on a carcass merit basis. Poor performers cost everyone money regardless of how they're marketed at the end of the feeding period. In most cases, the sooner you identify and sell them, the better off you'll be financially.

Being able to do meaningful sorting, either initially or at re-implant time, allows a feedyard to produce a pen of cattle with more uniform weights at slaughter so as to minimize the amount of underfeeding and overfeeding in the pen, and leads to more accurate breakevens and risk management.

The obvious disadvantage is that many lots of cattle cannot be divided equally to fill pens, thus efficiently utilizing pen space may be a problem, especially when sorting at re-implant time. However, using various colors of visual eartags to identify different weights of cattle will work to fill a pen and enable a feeder to sort by eartag color at marketing time which reduces the time a pen is not fully stocked.

Health Makes A Difference – Each year, we analyze data from the Texas Ranch To Rail program and look at the impact health has on performance, profits and carcass quality. Table 6 details our findings on more than 12,500 head. With a value difference of $93.20 between sick and healthy cattle, it won't take long to pay for an individual animal management system. While these Ranch to Rail cattle aren't high quality grading cattle, we've still seen a 10% increase in percent Choice in our healthy vs. sick calves. Using a typical, year-long average $7 Choice/Select spread, producing 10% more Choice carcasses will pay for a system in a hurry.

Individual cattle management has its greatest application in feedyards that sell cattle on a carcass merit basis and need to improve their ability to sell on the grid. It almost goes without saying that providing data to cow/calf customers will increase alliance and select supplier opportunities. The greatest monetary benefit will be in reducing the discounts in a pen of cattle when sold on the grid.

Remember, the Bottom 5 steers in the Fantasy Beef Quality Challenge created a significant monetary drag on the rest of the cattle because of both feedyard and carcass performance.

As an industry, we have to remove "freeloaders" from our feedbunks, but that is practically impossible without some type of individual animal management system. ✔

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Table 5. Variation In Feedlot And Carcass Performance

Trait	Range	Difference
Initial Feedyard Weight	402-590 lbs.	188 lbs.
Final Feedyard Weight	797-1214 lbs.	417 lbs.
Average Daily Gain	2.4-4.3 lbs./day	1.9 lbs./day
Carcass Weight	582-770 lbs.	188 lbs.
Dressing Percent	58.3-65.9%	7.60%
12th Rib Adjusted Fat Thickness	0.12-0.60 in.	0.48 in.
Ribeye Area	10.7-16.0 sq. in.	5.3 sq. in.

Table 6. Performance Of Healthy Vs. Sick Calves

Trait	Sick	Healthy
Number of Steers	3,202	9,393
Death Loss	3.40%	0.50%
Average Daily Gain (lb.)	2.78	2.96
Total Cost of Gain, ($/cwt.)	$65.96	$56.68
Medicine Cost/head	$31.33	$0
Net Return/head	($31.97)	$61.23
Choice	29%	39%
Select	63%	56%
Standard	8%	5%